



Finance, Revenue and Bonding Committee

SB 443 An Act Concerning the Tax Incidence Report, Tax Incidence Analyses, and the Disclosure of Returns and Return Information

Good afternoon, Chairman Fonfara, Chairman Scanlon, ranking members, and members of the Finance, Revenue, and Bonding Committee. My name is Jody Barr and I serve as the Executive Director of AFSCME Council 4 which represents 30,000 public and private sector employees throughout Connecticut. I am here today to testify in support of SB 443, An Act Concerning the Tax Incidence Report, Tax Incidence Analyses, and the Disclosure of Returns and Return Information.

Connecticut is the wealthiest state in the country but is unfortunately among the most unequal. In 2014, a tax incidence analysis that was done by DRS showed that the bottom 50% of earners contributed 23.6% of their income in taxes while the top 1% contributed 7.5%. In 2014 we were able to see that our tax system was unfair and favored the wealthiest in our state. In the 2022 report that was recently released, it showed that low-income households contribute up to 26% of their income in taxes while top income earners' contributions have remained flat. In the last 8 years we've seen our tax system become even more unequal and more burdensome on working families.

It is important that these reports and analyses are uniform and detailed so legislators can address Connecticut's inequities through the use of historical data and forecasting. SB 443 will ensure that future reports are detailed and contain the same information so legislators can evaluate the tax impact on residents.

This bill will require additional data to be included in future reports. It will require future reports to include data for the most recent ten tax years that are available. And it will authorize the disclosure of tax returns or return information to certain members of the General Assembly for policy making purposes.

These improvements will help guide legislators as they evaluate our tax system and hopefully work to make it fairer and more equitable.

Thank you and I urge the committee to support SB 443.